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International Year of Shelter for the Homeless

1987

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Office of the Minister
Bureau du Ministre

Ministry of Housing
Ministère du Logement

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THE HONOURABLE
LINCOLN M. ALEXANDER, Q.C., K.ST.J., B.A., L.L.D.
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the Legislative Assembly, we have the privilege of presenting the Annual Reports of the Ministry of Housing and Ontario Land Corporation for the fiscal year ending March 31, 1987 and the Annual Report of Ontario Housing Corporation for the calendar year 1986.

Respectfully submitted,

Alvin Curling
Minister

Office of the Deputy Minister
Bureau du Sous-ministre

Ministry of Housing
Ministère du Logement

777 Bay Street
Toronto, Ontario
M5G 2E5

THE HONOURABLE
ALVIN CURLING
MINISTER OF HOUSING

SIR:

I have the honour to submit for your approval the 1986/87 Annual Report of the Ministry of Housing.

Respectfully submitted,

Ward Cornell
Deputy Minister

Corporate Resources Management

The corporate resources management wing provides central support and advice to the Ministry of Housing and the Ministry of Municipal Affairs to assist the ministries and their agencies, boards and commissions, in achieving their program objectives. The wing develops management policies and processes; sets administrative standards and guidelines; delivers essential resources and support services; and provides ongoing expertise to the ministries.

In 1986/87, the corporate resources management wing facilitated the human, financial, and physical resource needs for a number of major organizational initiatives of the Ministry of Housing including a ministry-wide program reorganization and startup of the new rent review program.

As a result of the ministry program reorganization, the wing assumed responsibility for the employment equity and French language services programs, both of which have undergone expansion and renewed emphasis as a result of government-wide initiatives and the passage of the French Language Services Act.

The French language services program was reconstituted from a single joint function into two separate and distinct operations; one under the Ministry of Housing and the other, under the direction of the Ministry of Municipal Affairs. The program's activities for the Ministry of Housing were co-ordinated by the Office of the General Manager with representation from the various program areas on a ministry French language services committee. The committee's work focused on co-ordinating the development of strategies for implementing French language services to meet the requirements of new legislation passed in November 1986.

Other activities within the corporate resources wing include:

- corporate planning and evaluation;
- financial services;
- human resources;
- management services (information systems and facilities & services);
- operations review and audit
- legal services
- Office of the Corporate Secretary

The responsibilities and major accomplishments in 1986/87 for each of these activities are highlighted below.

Corporate Planning and Evaluation Branch

The corporate planning and evaluation branch is responsible for supporting senior management in carrying out the ministry's corporate policy and planning activities through advice and assistance, and management of the related processes. Its functions include: development and co-ordination of the strategic planning process, research, policy analysis and policy development of corporate issues, co-ordination of policy within the ministry, collection and dissemination of statistical information on the housing market, and resource allocation and results planning activities.

In the fiscal year 1986/87, the branch initiated a new strategic planning activity for the ministry. With the involvement of the Minister and senior management, a new set of directions was defined for the ministry which will be developed in greater program detail over the next year.

In the past year, the branch became more active in co-ordinating policy in the ministry to ensure that advice to senior management reflects the increasing inter-relationship of social, market and building industry issues.

The branch was responsible for the co-ordination of the activities of a task force on roomers, boarders and lodgers which, in the fall of 1986, published the first comprehensive study of issues affecting this client population. The branch also provided policy support to a Minister's advisory committee which studied the task force report and presented its recommendations to the Minister in March 1987 for improvements to conditions affecting roomers, boarders and lodgers.

During the year, the branch's resource allocation and management planning functions were merged to provide greater assistance to senior management in program planning and resource allocation decisions, and in program performance monitoring.

A second, related achievement has been the improvement of program results information to senior management for program planning and control. Major refinements were also made to the process for multi-year planning of commitments and related financial requirements in respect of capital expenditures and operating transfer payments under the ministry's various social housing and market-related housing programs.

Financial Services Branch

The financial services branch provides financial services and advice for a range of activities. The branch co-ordinates and controls the financial management function and promotes the integrity of systems for cash management, budgeting, accounting and financial reporting. In its controllership role, the branch provides financial policy direction to the ministry and its agencies and establishes procedures for management of crown agency and ministry cash flows and banking arrangements.

Over 1986/87, the branch contributed to the development of a comprehensive decentralized integrated financial management system. The new system is expected to be operational for the 1989/90 fiscal year.

Planning, budgeting and payment processing services, along with financial reporting were extended

during the year to the restructured building industry and housing supply and social housing programs.

The branch director is also treasurer of the Ontario Housing Corporation. In this capacity, financial advice, policy guidance and participation in strategic planning activities are provided to the chief executive and for the members of the Ontario Housing Corporation board of directors.

Human Resources Branch

The human resources branch provides services in human resources planning and development, personnel and staff relations, and payroll and records administration to staff of the Ministries of Housing and Municipal Affairs and their Crown agencies.

Over the past year branch staff assisted program managers in the new rent review division, Rent Review Hearings Board and Residential Rental Standards Board with organization development, job design, staffing, orientation and training.

Human resources management skills training for ministry and housing authority managers received priority attention, with two, week-long sessions being conducted by branch staff to reinforce managerial skills in selection and interviewing, managing employees with work performance problems, handling grievances, designing, analyzing and defining jobs, applying the classification process and managing working conditions in the OPS.

The Planning for People initiatives: Strategies for Renewal and Voluntary Exit Opportunities resulted in planning and information sessions being conducted for all staff of both ministries. The branch assisted the ministry human resources planning and management committee in developing a corporate human resources management strategy to integrate all wing level training and development initiatives.

The ministry's performance management process: goal setting and review, which has been in place for four years, underwent the first phase of its evaluation review. Skills training workshops were conducted in goal setting and performance management for program managers.

The branch co-ordinated the ministry's participation as a pilot in the CHRIS (corporate human resources information system) project and will continue to liaise with them while developing their own in-house system.

Branch staff were instrumental in the implementation of a new point rating job classification system affecting all office support employees of both ministries.

Management Services

The branch provides information technology services to the ministry and its Crown corporations. It also procures goods and services, provides accommodation and office services, and maintains the ministry's central library.

In addition to their on-going activities, the branch's accommodation and office services sections were active in acquiring, locating, furnishing and initial start-up of the ministry's new rent review field offices.

Over 1986/87, the design phase for the property management system, a major computer system for the Ontario Housing Corporation, was completed. The system is intended to make building conservation and maintenance activities more efficient.

A new financial management system was selected to replace the previous operational and financial information system with packaged software to perform the general ledger, budgeting, accounts payable and purchase orders for the ministry.

An automated rent registry system was approved to meet the requirements of new government housing initiatives expressed in the Residential Rent Regulation Act, 1986.

The office information systems project recommended an integrated office system, which would make use of local area networks and a mainframe mail distribution system. A request for proposal was prepared, and application made to Management Board for approval to name two vendors of record, and to proceed with an initial installation involving three units of the Ontario Housing Corporation as well as the project team itself.

End-user computing and database management systems received greater attention, as costs declined, hardware and software capabilities increased, and client interests started to grow beyond the basic functions of word processing and spreadsheets. The branch became increasingly proactive in matching new technological opportunities to the ministry's major business needs.

Mainframe computer processing was successfully converted from Crowntek Inc. to Canada Systems Group, without disruption to clients.

A ribbon-cutting ceremony marked the introduction of a ministry in-house computer which offered expanded opportunities for information sharing. Here management services director Ron Bates (left) and Canada Systems Group regional Vice-President Colin Crosby share the honors as the computer is put into operation and turned over to management services staff.

Operations Review & Audit Branch

The operations review and audit branch assists all managers to discharge their responsibilities by: providing assurance that financial, management and EDP controls are satisfactory and recommending improvements, where necessary; providing timely reporting of information to management concerning problems or issues in respect of controls, systems or

policies; determining compliance with government, ministry and OHC financial and administrative policies and guidelines.

In accordance with the manual of the Office of the Treasury, financial systems are audited annually and each program area is audited at least once every four years.

During the 1986/87 fiscal year the branch completed 37 audits, 34 financial audits and three operations reviews including the first operations review of a housing authority. EDP systems reviews were also initiated.

Legal Services

The legal branch provides legal services to the Minister, Deputy Minister and those Crown corporations, boards and commissions for which the Minister is responsible. These include Ontario Housing Corporation, its housing authorities, the Building Industry Strategy Board, the Building Code Commission, the Building Materials Evaluation Commission and the Ontario Land Corporation, and Ontario Mortgage Corporation and their staff in relation to their programs and policy formulations.

The principal statutes for which the Minister is responsible are the Ministry of Municipal Affairs and Housing Act, the Housing Development Act, the Ontario Housing Corporation Act, the Residential Rent Regulation Act, 1986, the Rental Housing Protection Act, the Building Code and the Plumbing Code.

These statutes and the regulations made under them enable and regulate the program operations and responsibilities of the ministry in relation to social housing, housing supply, the building industry, rent review and the minimum maintenance standards for residential rental complexes subject to rent review.

During the past year, the legal branch has provided the necessary legal services for the ministry's established social housing programs which include its social housing portfolio and programs, and its new housing initiatives which include the new non-profit programs and housing supply programs. The established programs and new programs referred to here are detailed elsewhere in this report.

At the same time, these services were increased to include rent review. In addition, advice was given to assist the ministry in its contributions to policy formulations with regard to roomers, boarders and lodgers.

Office of the Corporate Secretary

The Office of the Corporate Secretary provides administrative services to the ministry's agencies to ensure that agency directives, requests and intentions are communicated promptly and thoroughly to the appropriate external and internal areas, while ensuring compliance with Management Board guidelines, and other corporate, legislative, legal and regulatory guidelines. These agencies include Ontario Housing Corporation, Ontario Land Corporation, Ontario Mortgage Corporation, the Building Industry Strategy Board, the Residential Rental Standards Board, the Rent Review Advisory Committee, the Minister's Advisory Committee on Roomers, Boarders and Lodgers, and the Minister's Advisory Committee on the International Year of Shelter for the Homeless and their subcommittees.

In the past year responsibility for the proposed Freedom of Information and Protection of Privacy Act became part of the mandate of this office. The office has started to develop systems to handle access requests, and to review ministry procedures to ensure protection of privacy and to maintain the integrity of personal information.

The office was also responsible, in conjunction with supply and services, for ensuring fair and equitable treatment of all ministry suppliers through strict control of the tendering process and for the safekeeping of negotiable securities, other documents and the corporate seals.

The office ensured, in conjunction with risk management branch of the Ministry of Government Services, that appropriate liability coverage was in effect for the Ministry of Housing, its agencies and the Ministry of Municipal Affairs through appropriate tender documents and periodic reviews of the risk and coverage levels.

This office was also involved in special projects throughout the year such as its staffing of the forum office at the "Building Industry Forum", and the arrangement of special activities undertaken by the various boards and committees.

Employment Equity Program

The former affirmative action program was broadened to take on new responsibilities late in 1986, along with a new name, the employment equity program, and a wide range of services was provided to improve the representation of women in ministry positions. Strategies were being developed to begin serving staff

Employment equity program staff provides a wide range of services aimed at improving the representation of women in the ministry and is developing strategies to serve staff in new client groups: visible minorities, disabled persons, native people and francophones.

in the new client groups: visible minorities, disabled persons, native people and francophones, for implementation in 1987.

Over 1986/87 the staff profile changed slightly with 386 males (up 12%) and 524 females (up 2.5%) at year end. Gains were made in the number of females in nine of the classes which were underrepresented (less than 30% females) at year end '85/'86. The numbers of women in middle management increased 8% to a total of 52 and senior women now represent 8% of the executive compensation plan.

The wage gap (female earnings expressed as a percentage of male earnings) was 71% at year end, up 4%. Targets for the hiring and promotion of women in underrepresented classes were exceeded in the systems officer classification.

Workshops and seminars were utilized to improve the skill base of women in senior management and the appropriate feeder groups. A residential session addressed their needs in the areas of leadership style, role conflicts, time management and maximizing performance. Women in entry level management and support staff positions received training to aid them in the transition to management. Workshops on assertiveness training and negotiation skills were facilitated by program staff in regional and central locations.

Consultative services were provided for managers to assist them in planning strategies to promote equal opportunity. Equal opportunity presentations to senior management highlighted achievements and priorities.

During the year 58 counselling sessions were held on career planning, resume writing, interview skills and work-related concerns.

Thirty-nine women participated in accelerated career development opportunities and three who had previously received training through ACDs were successful in moving into senior and middle management positions. Three women received training in underrepresented areas through the employment equity incentive fund.

The employment equity for women committee representatives provided a link between the program office and staff. Eighty representatives from the Ministries of Housing and Municipal Affairs and the housing authorities attended the annual meeting to work on action plans and receive developmental training.

Volunteer committees were active in central and regional areas. The employment equity volunteers

committee (formerly CORE committee) formulated a revised mandate and objectives, organized information sessions and workshops and attracted new members. The publications committee produced three issues of "News of Women".

Developmental training was provided for an employment equity management trainee (now an acting employment equity manager) from the Ministry of Treasury and Economics.

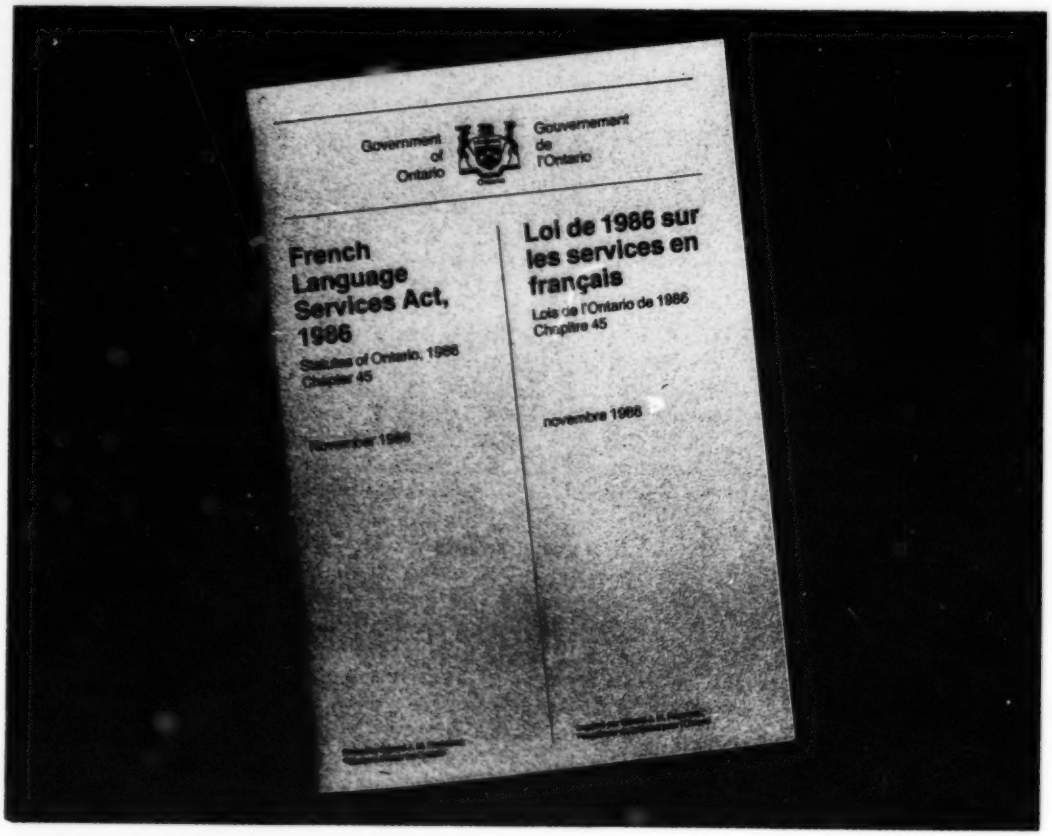
An advisory committee was formed to implement employment equity in the local housing authorities and a consultant provided housing managers and regional housing program office administrators in four cities with information on the equal opportunity program, human rights legislation and target groups. Achievements in the local housing authorities included the hiring of two women, previously in a maintenance trainee program, and the hiring of the first female resident custodian.

French Language Services

On May 1, 1986, the Minister Responsible for Francophone Affairs, the Honourable Bernard Grandmaître, introduced a Bill in the legislature entitled *An Act to Provide for French Language Services in the Ontario Government.* The French language services co-ordinating committee set to work immediately designing a survey to determine the clients for the ministry's services and the level of linguistic skills of ministry personnel.

The French Language Services Act was given third reading and proclaimed on November 19, 1986. It will take effect on November 19, 1989.

The act requires each ministry to appoint a French language services co-ordinator and to set up a co-ordinating committee.



The French Language Services Act was proclaimed in November, 1986.

Building Industry

Building Industry Strategy Board

The Building Industry Strategy Board completed its first full year of operation in the 1986–87 fiscal year. It was established in January 1985 to address the needs of Ontario's largest economic sector. In 1986, new and repair building construction reached an unprecedented $19 billion and housing starts increased 26% to 81,470. Despite the building boom in central Ontario, seasonally adjusted unemployment for the province remained high at 12.2%.

With a budget of $14.6 million over three years, the BIS Board was created to advise the Minister regarding the implementation of a strategy to assist the industry in addressing a number of problems—notably to improve its productivity, to establish new markets, and to reduce unemployment. The board consists of an executive committee and some 30 members representing industry, labor and government.

The goals of the Building Industry Strategy are to:

- consolidate, rationalize and simplify regulations affecting building;
- improve productivity;
- expand exports of building services and products and the replacement of imports;
- increase co-operation and self-awareness within the industry;
- facilitate the development of a building centre to provide a special focus for the industry.

In pursuit of these goals, a business plan was prepared, in consultation with the industry, which identified 14 programs. These programs are under constant revision by the board and staff of the Secretariat to ensure they remain consistent with the goals of the strategy.

Building Industry Policy and Program Development Branch

The Building Industry Policy and Program Development Branch is responsible for the following:

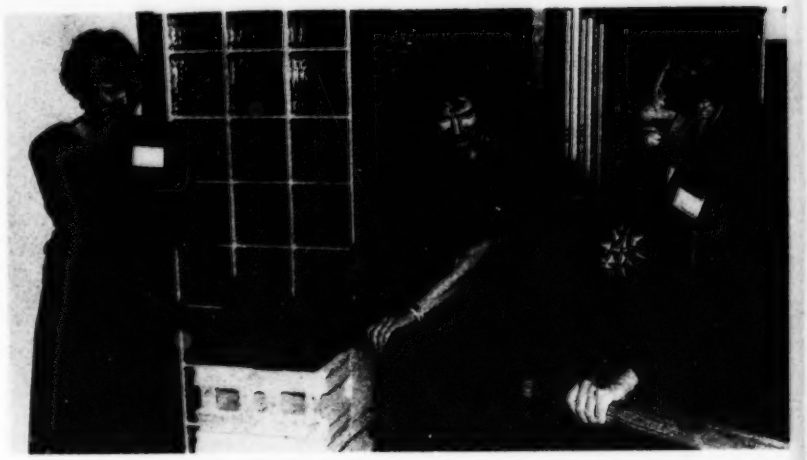
- staff support to the Building Industry Strategy Board, its executive committee and program sub-committees;
- day-to-day planning, development and delivery of programs;
- establishing and maintaining effective lines of communication with all sectors of the building industry;
- monitoring industry issues and trends and taking action when deemed appropriate;
- financial administration of the program budgets.

As part of the implementation of the goals of the strategy, the board has chosen to highlight strategic areas and study them in more depth under the direction of sub-committees of the board. During the year the following such sub-committees were appointed:

- Building Centre;
- construction information system;
- education and training;
- export development and import replacement;
- productivity improvement.

A sub-committee on regulatory reform had previously been established and it now reports to the BIS executive committee. Staff support is provided by the Ontario buildings branch.

Programs launched by these sub-committees include:



Deputy Minister Ward Cornell officially opened the Building and Design Resource Centre at Designers' Walk, Toronto, to the public. Helping are Tracy Bowie (left) of Designers' Walk and Resource Centre manager Lorraine Tierney.

Building Centre Feasibility

- Terms of reference were developed, a list of potential consultants compiled and invitations issued to them to submit their qualifications.

Education and Training

- A 20 minute video tape was prepared for use in high schools showing the range of career opportunities in the building industry;
- Two computer assisted learning modules were developed for contract administrators;
- A total of 10,000 brochures on the range of training programs available for middle management in the building industry was distributed to every high school in Ontario;
- Work commenced on developing a complete catalogue on the full range of training opportunities for the building industry in Ontario;
- Working with Toronto Home Builders' Association, some $400,000 was obtained in additional federal training support for framers and bricklayers;
- Plans commenced for a five-day career exposition on the building industry to be held in the spring of 1988.

Export Development and Import Replacement

- At the Building Tomorrow Forum, the Premier announced the launching of a trade mission to China and the Pacific Rim to promote the sale of Ontario's

building services and products. To this end, a consultant was engaged to prépare a strategic plan for the mission. A small technical group was formed and advised by a private sector group experienced in the construction industry in Asia. The mission left for the Far East in March.

• The strategic plan for this mission will form part of a comprehensive strategic plan being prepared by the Secretariat.

Construction Information System

• Terms of reference were developed to determine the market for a building construction and trade information centre, the feasibility of a computerized information storage and retrieval service and the identification of the sources of the required information.

• A list of potential consultants was compiled and invitations to submit qualifications were issued.

Productivity Improvement

• A survey was undertaken of building related courses offered by Canadian universities and key ones in the U.S.; dialogue occurred with several universities regarding professional and management development for the industry.

• A consulting assignment was undertaken to develop a program of educational courses to improve on-site construction productivity and the terms of reference were prepared.

• At the request of the Construction Management Institute, approval was received to participate in the joint funding (60%) with the New Home Warranty program of a program of courses to teach home builders and contractors improved business management skills.

As part of the strategy to revitalize Ontario's building industry, a major forum on the business of building was held in Toronto Nov. 2–5. Called Building Tomorrow, the forum was co-sponsored by the Building Industry Board, Ministry of Housing, together with the Council of Ontario Construction Associations.

Building Tomorrow Conference

A major conference of the building industry was held from November 2–6, 1986. The objectives of the conference were to:

• heighten building industry awareness;

• foster transfer of information, knowledge, technology;

• provide a status report on the state of the industry in Ontario and throughout Canada.

Ninety-six building associations joined with the BIS Board as co-sponsors of the conference and attendance was close to 10,000.

There were 13 theme areas with more than 200 speakers making workshop presentations. In addition, there was an exhibit area which sold out, a career centre attended by 4,000 high school students, a publications/bookstore and a film festival. The proceedings were recorded and tapes of the proceedings are available.

• In addition to the sub-committee activities, BIS responded to the late closings in the home building industry by having a member of its executive committee chair a joint industry/government committee.

Ontario Buildings Branch

The objectives of the buildings branch are to ensure a high level of public safety in buildings constructed in Ontario, and to create a supportive and encouraging environment for the building industry to improve its efficiency.

Technical Standards

This section is responsible for the regulatory functions of the branch. It develops and maintains the Ontario Building Code and the Plumbing Code. It also provides advice and guidance to the building industry and building officials on building legislation and building practices.

Activities during the year included:

• amended the Ontario Building Code;

• held 25 seminars on the amended Ontario Building Code throughout Ontario for architects, engineers, building officials, builders and others;

• held five seminars for municipal building officials, the construction industry and the public on the installation of solid fuel appliances;

• created industry study groups and committees on various issues for purposes of future code amendments including renovation for non-residential buildings, party walls, air quality and potability of sprinkler water;

• developed illustrated guide to assist building code understanding on barrier-free design and updated the illustrated guide on housing and small buildings;

• provided ongoing advice and assistance to builders, municipal building officials and the public on code-related matters.

Policy and Research

This section is responsible for regulatory reform. This includes the consolidation and streamlining of building statutes and regulations, rationalization of building code requirements, and the development of an efficient regulatory system for the building industry in Ontario. Advice and guidance from the industry is provided by a steering committee on regulatory reform—a sub-committee of the Building Industry Strategy Board.

1986/87 activities included:

- completed implementation of an innovative code amendment process including the establishment of three advisory committees and public hearings;
- in co-operation with the National Research Council, completed a detailed prototype of a safety/risk assessment framework for eventual use by all provinces and the federal government. Framework will be used for the technical, social and economic evaluation of building requirements;
- carried out a survey of the building industry to determine the potential for computerization of the building code and associated documents;
- undertook legislative reform projects in co-operation with provincial ministries.

Municipal Building Administration and Education

This section facilitates and encourages municipalities to improve the quality and effectiveness of building departments. It provides training for municipal officials and builders on regulatory responsibilities and code requirements.

Highlights of the year's activities are:

- provided grants to municipalities through the Building Action program for administrative innovation in building departments throughout the province;
- provided advisory services on building administration to municipal councils and building department staff through large seminars, small workshops and hands-on assistance;
- continued the development and delivery of a comprehensive education training program for municipal building officials. During 1986/87, 21 courses were delivered across the province to over 500 building officials.

The Building Code Commission

The commission conducts hearings and makes decisions on disputes between a building permit applicant or holder and a building official as to the intent of the technical requirements of the code and/or the sufficiency of compliance with those requirements.

To provide more access to its hearings, and to speed up the building process, the commission has arranged hearings within the local municipality, in some cases on the actual site of construction.

In 1986/87 the commission held 18 hearings.

The Building Materials Evaluation Commission

The commission conducts research into, and may authorize the use of, any innovative materials, techniques or building designs for construction which are not currently covered by the Ontario Building Code. The commission has received both national and international recognition with applications for rulings doubling over the previous year. Applications have been received from companies in such countries as Holland, Norway, Africa, England, U.S.A. and New Zealand.

In 1986/87 the BMEC held regular meetings and authorized the use of seven materials or techniques as well as updated numerous previous authorizations to meet the new code amendments.

The Rent Review Division

The Residential Rent Regulation Act, Bill 51, was passed in December, 1986, and created an entirely new system of rent review for the Province of Ontario.

The rent review division was created on December 3, 1986 with the passage of the *Residential Rent Regulation Act, 1986.*

This act created an entirely new system of rent review for the Province of Ontario with the goals of increasing protection for tenants in private rental housing, while stimulating the development of new rental housing.

Central features of the new act included:

- The extension of rent review to cover all private rental units in Ontario.
- The creation of a streamlined rent review process, designed to be accessible and ensure consistency.
- The establishment of a flexible rent increase guideline, adjusted annually to reflect changes in inflation.
- The creation of a province-wide rent registry to record the rent for every private rental unit in Ontario.
- The creation of a Residential Rental Standards Board to help ensure the proper maintenance of all rental properties in Ontario.

In the five months since its creation, the new rent review division has moved successfully to implement the new system of rent review across the province.

This effort has involved such major tasks as hiring and training hundreds of staff members; establishing a regional and local office system across Ontario; beginning the process of registering more than one million private rental units; creating a complete program of landlord and tenant education; regulating the many official notices, forms, rules and tables called for by the legislation; establishing major computer systems and supporting software; and producing a wide range of guides, brochures and public information documents.

In achieving each of these goals during its first few months of activity, the new rent review division has moved forward at full speed in the planned and orderly fashion mandated by the new legislation.

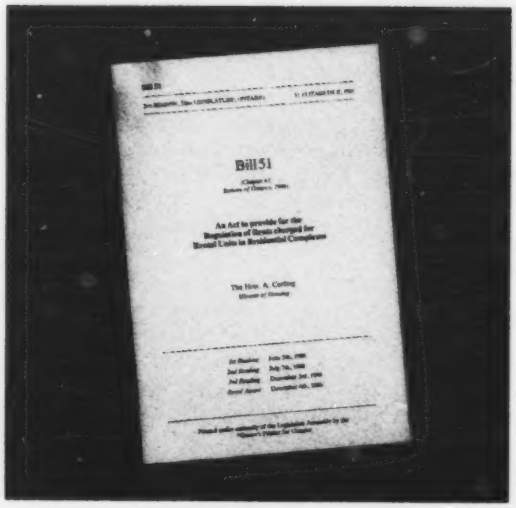
In December, 1986, the rent review guideline for the year 1987 was established as 5.2 per cent and applied for the first time to all private rental units in Ontario. In future, the guideline for each year will be announced by August 31 of the preceding year.

In January, the division dealt with post-1975 units—units first occupied on or after January 1, 1976. These 120,000 units, which had been exempt from rent review in the past, were brought under rent review by the new legislation.

Landlords of these units were given until March 2, 1987 to apply to rent review to justify those rent increases above four per cent taken between August 1, 1985 and December 31, 1986.

At the same time, the division established a province-wide network of rent review offices, including four regional offices and 21 local offices.

Local office staff, who are trained in both the *Residential Rent Regulation Act, 1986,* and the *Landlord and Tenant Act*, will resolve rent review matters at the local level.



The staff will also provide the initial point of contact for both landlords and tenants, offering information, landlord/tenant education programs and any assistance necessary to comply with the new legislation.

During this same period, the division established a province-wide rent registry which will record on computer the rent that may be charged for every private rental unit in Ontario and enable tenants for the first time to verify that their rents are legal.

Access to information stored in the registry computers will be available free of charge to tenants, prospective tenants and landlords through the 21 local rent review offices across the province.

With more than one million rental units in the province, the division began by requiring landlords of residential complexes containing more than six rental units to register information about their units with the rent registry by May 1, 1987.

These landlords were sent rent registration kits, containing the proper forms and a guide to registration. They are required by the legislation to file the rent charged on July 1, 1985 (or the first date the unit was rented thereafter) for every rental unit in their complex.

The division also announced the creation of the new Rent Review Hearings Board, a quasi-judicial body that will hear appeals by tenants or landlords who disagree with a local rent review decision. Dr. Ratna Ray was appointed to a two-year term as Chairman of the new Board.

In the near future, the ministry will announce the creation of the Residential Rental Standards Board which will help to ensure proper maintenance of all rental units in Ontario.

Meanwhile, the Residential Tenancy Commission (RTC), which has administered rent review in the past, is continuing to operate to clear up those cases already before it, and will submit a separate annual report for the year 1986–87.

Landlords and tenants who have already filed an application for rent review with the RTC have been

given the option of continuing the process under the RTC or having the application considered under the new rent review system.

Since the proclamation of the *Residential Rent Regulation Act, 1986* on January 1, 1987, all new rent review applications have been handled by the new rent review division.

In its first months of operation, the division has succeeded in creating a new system of rent review for the province as called for in the new legislation.

As of April 30, 1987, the rent review division is firmly established and will continue to move forward in a planned and orderly fashion.

Rent Review Services Branch

The Residential Rent Regulation Act, 1986 is administered by the rent review services branch. The branch's head office, located in Toronto, manages the central rent review policies and activities.

Technical and administrative support to the local offices is provided by the branch's four regional offices in London, Sudbury, Ottawa and Toronto. Regional offices also help co-ordinate and monitor compliance with the new act; develop and ensure standards of consistency; and oversee human and financial resource management.

The branch's 21 local offices carry out the day-to-day services to the general public. Staff liaise regularly with local landlord and tenant groups as well as local municipal officials.

These offices are responsible for local administration of the act's regulations. Local staff assist landlords in registering their units for the rent registry, resolve rent review applications, and also provide documentation to the Rent Review Hearings Board.

The local offices are also strongly involved in educating both landlords and tenants about the new act and distributing information about the rent review system to the general public.

Rent Review Policy Branch

The rent review policy branch, located in Toronto, is responsible for developing detailed policy recommendations. These recommendations include policy guidelines and legislation, regulations and certain general procedures for Ontario's rent review system. The branch also provides the rent review division with corporate planning, research and management advice.

The branch's program analysis section provides research and statistical data and conducts strategic planning and organizational studies. The effectiveness of the rent review programs is closely co-ordinated by this section.

Rent review policy proposals for legislation are developed by the policy section of the branch. It evaluates the effect proposed changes in legislation and regulations might have on the rental housing market, and participates in ministry-wide policy reviews.

The financial and property management section prepares regulations for the *Residential Rent Regulation Act, 1986.* This section also identifies areas in the rent determination process that are not covered in the legislation, regulations or guidelines. The section also develops solutions to financial and property issues and problems.

Rent Registry

Ontario's rent registry is a new aspect of the rent review system, designed to inform both landlords and tenants about the rents for their units.

The office of the Registrar is located in Toronto, though staff at the 21 rent review services local offices directly assist landlords with the registration process.

Landlords with buildings of six or more units are required to provide the registry with such information as type of building, number of bedrooms, services and facilities, and the rents charged on July 1, 1985 or later. There will be a registration process for landlords with six units or fewer at a later date.

Since the registry computer will automatically update the rents annually, most landlords will only have to register their units this one time.

When the registration process is complete, the information will be put on a computerized network. Landlords, tenants and prospective tenants will be able to retrieve the rent for any unit through their local rent review offices.

Rental Housing Protection Program

The Rental Housing Protection Act is administered by staff of the rental housing protection program. The program is designed to preserve the existing supply of rental housing in Ontario.

The legislation took effect on July 10, 1986 and restricts for a period of two years certain activities which serve to reduce the stock of rental housing.

Under the Act, municipal councils are required to approve any proposals to convert, demolish, renovate, sever into individual ownership, or otherwise change the use of rental housing in the province.

Program staff provides advice and education on the administration of the Act to municipalities and the general public.

As well, program staff provides provincial input to municipalities on individual applications, and undertakes enforcement activities.

Community Housing

Ministry staff are working on several projects that could result in broader choices of living arrangements for seniors and the homeless.

Community housing responds to the housing needs of Ontario residents through consulting and working in co-operation with the private sector, special interest groups, other ministries and various levels of government.

In 1986, a significant change occurred with the province assuming responsibility for delivery and administration of non-profit housing. The non-profit program is a major vehicle for the delivery of social housing in Ontario. Under the program, approximately 6,700 new units will be produced annually for five years.

As well, a special provincial initiative was announced, which will produce an additional 3,000 non-profit housing units targeted to the most disadvantaged.

Activities encompass policies and programs covering all aspects of the housing market, including the direct delivery, maintenance, and administration of social housing for low and moderate income families, senior citizens, and handicapped persons, to ensure access to appropriate and affordable shelter.

In the private rental and ownership market, activities focus on new supply, conservation and better utilization of existing stock, and homeowner assistance. This includes research and the development and implementation of policies and programs designed to improve housing conditions, allowing the market to operate more efficiently and thereby assure an adequate and affordable supply of rental housing.

The community housing wing consists of:

- housing policy and program development branch;
- Ontario Housing Corporation (OHC).

A major reorganization of the wing commenced late in the year. The implementation of the resulting program changes was expected to begin in early 1987.

Housing Policy and Program Development Branch

The housing policy and program development branch undertakes basic housing research, monitors economic conditions and trends in the shelter industry that affect housing policies, develops strategic policy recommendations for private market ownership and rental housing, develops new programs and monitors and evaluates existing programs. These activities deal with both new housing and the existing housing stock.

In 1986/7, the branch continued to implement initiatives contained in the 1985 Assured Housing Strategy, as well as developed other initiatives as part of its ongoing mandate. Highlights of the year's activities include:

Disabled Housing Initiatives

A package of disabled housing initiatives was developed, in conjunction with the Office Responsible for the Disabled and the Ministry of Community and Social Services. Enrichments to enable modifications for disabled persons have been made to the following three programs: Ontario Home Renewal Program; Low-Rise Rehabilitation Program; and Convert-to-Rent.

Low-Rise Rehabilitation Program

This program, designed to preserve older, low-rise rental housing, was launched in 1986. A total of 113 municipalities are currently involved in delivery, and waiting lists exist for 1987/8.

Convert-to-Rent

This program, which has been in operation since August 1983, was substantially revised in 1986 to include non-self-contained units, and single-family home conversions. Approximately 3,515 units were committed in 1986/7. This program helps to promote housing at lower cost by using the existing built environment more effectively.

Consumer Outreach Program

The Home Conservation Centre travelled to 12 home shows and seven conferences in 1986/7. New brochures entitled "The Water Resistant House" and "Understanding Your House" were released. The Ontario Renovation Information Centre added new exhibits and displays. The Ontario Renews Awards program, fostering excellence in renovation, held its sixth annual ceremony in Toronto in November 1986.

Seniors Housing Options

The home sharing program, which provides shared funding to municipalities to support agencies promoting and facilitating accommodation sharing, expanded from two pilot agencies to 12 across the province. The Seniors Retirement Communities Demonstration, and Seniors Co-ownership Demonstration, have been developed and are being delivered.

The PLUS demonstration (otherwise known as "Granny Flats") is entering its third year and is in the process of evaluation.

These projects are being pursued on a small-scale to investigate the feasibility of promoting broader

choices of living arrangements for seniors.

The branch is responsible for the biannual housing market survey of Ontario plus 10 urban centres. The survey provides the most comprehensive information on renters and owners in Ontario and is a major resource for internal analysis. The survey relates who lives in what type of shelter, what their shelter plans are, and what they pay now and have paid in the past.

The branch is also responsible for reviewing tax implications for housing.

International Year of Shelter for the Homeless Secretariat

The Ministry of Housing has been designated as the lead ministry to co-ordinate the province's activities for recognizing the International Year of Shelter for the Homeless (IYSH). The Minister has identified four major goals to guide the province's participation in IYSH. They are:

- to raise public awareness of the issues and concerns regarding homelessness in Ontario and elsewhere, within the framework of IYSH;
- to encourage and develop community dialogue, education and participation at the local level in activities related to IYSH;
- to co-ordinate the efforts of provincial government ministries and agencies in activities marking IYSH; and
- to participate, in co-operation with the national IYSH focal point, in inter-provincial, federal and international activities marking IYSH.

To achieve these goals and objectives, an advisory committee on IYSH was struck by the Minister of Housing. Its regional membership draws on individuals who have demonstrated knowledge, interest and/or experience with the issues of homelessness. Its purpose is to determine how the province can mark its participation in IYSH and to recommend proposals for longer term, more permanent ways of addressing homelessness. An IYSH secretariat, comprised of a small number of staff, provides support to the advisory committee.

In addition, an inter-ministerial committee, chaired by the IYSH Secretariat, was formed comprising those ministries of the province actively involved in the provision of services to the homeless. These ministries include: Citizenship and Culture; Community and Social Services; Correctional Services; Education; Health; Housing; and Municipal Affairs.

This committee serves as a governmental co-ordinating body representing cross-ministerial responses to IYSH.

The IYSH activities also include developing and implementing a public awareness/communications plan. It is designed to encourage groups such as local governments, communities, businesses, churches, interested citizens, local service agencies and educational institutions to:

- recognize the homeless within their community, acknowledge the homeless as full citizens in the community and constitute local IYSH committees;
- assist groups and individuals through limited IYSH project grants that would facilitate their participation in the year in light of the overall goals established by the province;
- implement an essay writing and poster design project;
- conduct a series of six regionally-based workshops focusing on the issues of homelessness;
- recognize organizations and individuals who have provided invaluable community service in working with and for the homeless throughout Ontario by a special merit awards ceremony to be held on October 5, 1987;
- assist in the sponsorship and participate in the Canadian conference to observe IYSH to be held in Ottawa in September, 1987; and
- participate in the Canadian Study Program by sponsoring six housing officials from developing nations to come to Ontario and work in comparative local organizations and situations that are dealing with issues of homelessness.

International Year of Shelter for the Homeless

1987

Année internationale du logement des sans-abri

Accompanied by Lieutenant Governor, the Hon. Lincoln Alexander (left), Housing Minister Alvin Curling launches the International Year of Shelter for the Homeless in the Legislature.

In his announcement on January 28, 1987, Mr. Curling said: "I believe that this is one of our most important initiatives. Working together, we have an opportunity to help."

Ontario Housing Corporation

Office of the Chairman

Ministry of Housing

Ontario Housing Corporation

777 Bay Street
Toronto, Ontario
M5G 2E5

THE HONOURABLE
ALVIN CURLING
MINISTER OF HOUSING

Sir:

It is my honour, on behalf of the Board of Directors, to present the Annual Report and Statement of Accounts of the Ontario Housing Corporation for the year ending December 31, 1986.

Respectfully submitted.

David B. Greenspan

David Greenspan
Chairman of the Board

Board of Directors:

D.B. Greenspan, Chairman; L.F. Pitura, Vice Chairman; D.H. Barr; C.E. Beigie; J.M. Gammage; J.E. O'Brien; G.P. Puddicombe; G.R. Stratton; T. Varone; M.P. Wall; I. Wong.

Report of the Chairman of the Board

The year under review was an exciting one as Ontario Housing Corporation moved into a new direction as a provider of social housing to various client groups across Ontario.

Ontario Housing Corporation began to move away from its traditional role as a bricks and mortar agency, and moved into new territory as a co-ordinator and provider of social services.

A number of policy decisions were made by the OHC board of directors during 1986 which dramatically affected the manner in which public housing operates.

Victims of family violence were given special priority for subsidized housing, provided the battering and intent to separate could be verified independently.

Parents under the age of 18 became eligible for subsidized housing, and current tenants became eligible to apply for separate housing without first leaving OHC.

Two pilot projects were established in Ottawa and Metro Toronto to investigate the means by which OHC could train and employ its tenants in housing projects.

A new approach to landlord/tenant relations redefined the role of OHC beyond that of managing social housing to include the responsibility for improving the comfort, security and dignity of tenants.

A new emphasis was placed on determining ways in which tenants could be involved in decisions affecting them. A decision was made to recruit a tenant liaison co-ordinator who would be responsible for developing a corporate strategy for improving landlord/tenant relations.

And the OHC board took measures to ensure tenants' concerns were heard and addressed. Regular board meetings were held on the site of projects so the board and tenants could meet and discuss areas of mutual concern.

Chimbo Poe-Mutuma was hired by the Metro Toronto Housing Authority as director of race relations, with the responsibility for developing a series of race relations policies designed to create a better living environment for MTHA tenants. Work proceeded on developing a province-wide race relations policy for housing authorities.

The OHC bursary program was expanded to cover two years, and the total value of the award was increased to $1,000 from $500. This expansion will assist successful applicants in continuing through a second year of post-secondary education, when financial constraints could become a severe impediment.

At the end of 1986, the corporation had 84,347 housing units, made up of 48,185 family units and 36,162 senior citizen units. The corporation also had 13,511 units under rent supplement agreements in privately-owned buildings, for a total of some 97,000 units.

OHC was also involved in subsidizing rent-geared-to-income units developed under other housing programs. In 1986, the corporation was providing financial assistance for more than 127,000 units.

Three major workshops were held during 1986 for housing authority chairmen, members and managers. Two regional workshops—Breaking New Ground—were held in Hamilton in the spring and Port Carling in the fall. These provided an opportunity for housing authority members to meet informally with members of the OHC board, and at the same time pick up new information on issues such as the Assured Housing program, human resources management and building conservation/property management systems.

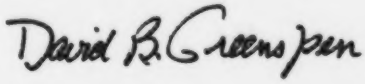
The third workshop—New Directions for Ontario Housing Corporation—took place in November, and brought housing authority chairmen and managers to Toronto where they had an opportunity to discuss some of the major new policy directions being taken by the corporation.

A number of changes occurred within the OHC board of directors during the year. I was appointed chairman of the board in January. Early in the year, several new appointments followed: Douglas Barr, Carl Beigie, Jean Gammage and Toni Varone, all of Toronto. Miriam Wall of Thunder Bay was appointed to the board late in the summer.

Three dedicated directors left the corporation when their terms ended December 31: Joseph O'Brien, Gail Puddicombe and Irene Wong.

A major reorganization of the ministry's community housing wing commenced late in the year. The implementation of the resulting program changes was expected to begin in early 1987.

At the end of a the year John Sewell, former Toronto mayor and national newspaper columnist, was appointed the first full-time chairman of the Metro Toronto Housing Authority.



David B. Greenspan
Chairman

Ontario Housing Corporation

The Ontario Housing Corporation (OHC) provides rent geared-to-income housing for families and senior citizens with low incomes as well as for physically, developmentally and psychiatrically handicapped adults.

During the year and through the Assured Housing initiatives, OHC provided more new housing units than ever before in its history. Some 16,000 residential units were produced, far exceeding the previous high of about 10,000 in the 'seventies'. As well, the corporation became fully involved with housing individuals and groups with special needs in concert with support ministries, i.e. Community and Social Services, Health and Correctional Services. Programs such as Low-Rise Rehabilitation and a revitalized Ontario Home Renewal program required an increased involvement with a large number of municipalities where success was achieved through effective teamwork and communication. The very successful Convert-to-Rent program involved close working relationships with entrepreneurs and home-owners as well as municipal and community liaison.

In 1986 there were 84,347 units in the corporation's portfolio, of which 48,185 were family units and 36,162 were senior citizen units. A network of 58 housing authorities across the province is responsible for managing the properties as agents through management agreements.

The housing authorities administer the rent supplement program which included 13,511 units at year's end. These units provide accommodation for rent geared-to-income tenants in buildings owned by private landlords and help to integrate low-income tenants into the community. The housing priority list for geared-to-income accommodations as of December 31, 1986, was:

Family	16,776
Senior Citizens	6,223
Handicapped Adults	2,025
Total	25,024

As well, Ontario Housing Corporation develops social housing programs and policies, administers the Municipal Non-Profit, Convert-to-Rent, Low-Rise Rehabilitation, Renterprise and a wide range of other programs and evaluates administrative and operational procedures associated with social housing programs. Approximately 127,000 units receive financial assistance through Ontario Housing Corporation.

During 1986, OHC continued to decentralize program activity to the six regional housing programs offices and increase accountability among the 58 local housing authorities.

Total remuneration to OHC's board of directors in 1986 was $37,624.50.

Housing Minister Alvin Curling chats about the ministry's Convert-To-Rent program with a couple of visitors to the ministry display at the Canadian National Exhibition, Toronto. Staff handed out 47,000 pieces of literature on various ministry programs.

Field Operations

Field operations is responsible for the delivery and administration of social housing programs across the province. Six regional housing programs offices, located in Hamilton, London, Ottawa, Sudbury, Thunder Bay and Toronto, provide a "one window" service covering all aspects of social housing. These offices provide technical, financial and administrative support to the 58 housing authorities and numerous non-profit housing corporations so that the province's portfolio of assisted rental housing is operated efficiently and maintained properly.

The housing authorities are responsible for the day-to-day management of the 84,347 provincially-owned public housing units and administration of more than 13,000 rent supplement units through management agreements with Ontario Housing Corporation. In 1986, expenditures totalled $460,894,257 and revenues of $202,120,700 were received.

The regional housing program offices also work directly with municipalities, non-profit, co-operative and private sector groups in an effort to meet housing requirements for Ontarians.

Technical Support Branch

The branch is responsible for overall technical direction and guidelines for the regional technical sections, OHC, the local housing authorities and the community housing wing. Staff co-ordinates projects or programs with a heavily technical content and develops generic specifications, standards and systems for the construction, maintenance, conservation and upgrading of properties owned or operated by OHC and its affiliates.

The building conservation management system was further developed during the year, and the lessons learned from the Hamilton-Wentworth pilot implementation were incorporated into the system. It is expected that the building conservation management system will be introduced to other housing authorities early in 1988.

The OHC's planning, design standards and design guides were updated during the past fiscal year to incorporate user comments, code changes and other

improvements. The conservation specifications were expanded and are issued to the regions and the Metro Toronto Housing Authority for their daily use and controlled re-issue to local housing authorities.

Achievements in applied research and in development of new materials and methods included 15 separate experiments and 12 installations. These installations are being assessed and monitored on a long-term basis.

The first computer aided drafting and design (CADD) work station was set up within the branch during the year. Staff began training to implement a CADD development program for the regional housing program offices. Development of protocol and drafting standards for use by consultants and staff of OHC when using CADD began during the year.

Energy conservation was another priority for the branch. At the end of the 1985–86 fiscal year, accumulated savings amounted to $3.6 million. The energy conservation reporting system continued to identify potential savings in OHC buildings across the province. The energy management action program manual for mid- and high-rise apartments was produced, along with an energy management manual for senior citizens' low rise apartments.

In recent years, OHC fire alarm and emergency systems have been upgraded through a branch program. By year-end, work was completed on 449 apartment buildings and was in progress in 83 other buildings. Design work was complete for a further 59 buildings.

During the year, a review of safety procedures within OHC was carried out and responsibilities were clarified. The Ontario Housing Corporation's safety manual was revised and updated to incorporate the requirements of the latest codes and legislation.

In co-operation with the Ministry of Energy, the Ministry of Skills Development and the federal Ministry of Employment and Immigration, the "Draftproof" Ontario program continued in 1986 and was co-ordinated in five housing authorities. This program has been very successful in providing training and employment opportunities for unemployed youth and improving comfort levels and energy conservation in 2340 OHC units during 1986.

In engineering research and development, a project to evaluate the effectiveness of repairs made to OHC garages was completed. In addition, prototype-locking equipment for elevated car doors and landing doors was tested on selected projects in Metro Toronto. This equipment is designed to prevent unauthorized entry into elevator hoist ways and to prevent elevator car top riding.

Continued support was provided to regional staff during times of peak workload and staff recruitment. Assistance was given in the interviewing and assessment of consultant appraisal companies in different areas of the province. A major review of maximum unit prices was carried out and the process of setting these prices was modified to incorporate the input of both OHC and CMHC staff.

During the year, work commenced on the application of computer technology to the appraisal functions within OHC. This, together with an analysis of OHC properties with potential for further development, will receive further attention during 1987.

Throughout the year in review, the branch's responsibilities for staff training and technology transfer in property conservation and maintenance

The Alexandra Park Learning Centre in Toronto was officially opened by then Metro Toronto Housing Authority Chairman Dr. Albert Rose (left) and Sherman Middleton, President of the Alexandra Park Ratepayers Association.

Residents of the downtown Toronto housing development, with the assistance of the Toronto Board of Education and other institutions, succeeded in establishing the on-site learning facility to help residents overcome their lack of education.

were strongly emphasized. A new co-ordinator of research and training was hired to manage the applied research and development and seminar programs of the branch. Individual seminar presentations were made to RHPO (regional housing programs office) and local housing authority staff on various aspects of building design and maintenance with particular emphasis on roofing, landscape maintenance and energy conservation.

Direct architectural, appraisal and engineering consultation services were provided and production work in interior design, landscape retrofit, roofing and mechanical engineering was carried out.

Program Policy and Evaluation Branch

Program Development and Evaluation Section

This section is responsible for developing policies and programs for the full range of social housing from public housing to non-profit housing to rent supplement.

In the development of new policies and programs, section staff consulted very widely with non-profit sponsors, housing authority members and staff and representatives of social service agencies. Staff also consulted other Ontario ministries as well as other levels of government.

In October, 1986, Project 3000, a special unilateral provincial allocation of 3000 non-profit housing units was announced. These additional units are being developed for a range of groups with the emphasis on serving the neediest.

An interministerial committee, chaired by a staff member from the program policy and evaluation branch, was formed to develop a long term policy and strategic plan for housing with support services in Ontario.

The Ministry of Housing extended eligibility for assisted housing to include parents under the age of 18 as well as victims of family violence. Branch staff developed guidelines and conducted workshops for community agencies and housing agencies.

The Ontario Housing Corporation (OHC) approved a new set of principles and objectives for landlord-tenant relations which allows greater tenant involvement in decisions regarding public housing in Ontario. The OHC also adopted a race and ethnic relations statement of principles and is now developing implementation guidelines. Branch staff is working very closely with local housing authority representatives in developing these guidelines.

During the year in review, the Ministry of Housing shared the cost of a native housing repair project in northern Ontario with Frontiers Foundation. Repairs were made to approximately 25 homes, using a combination of volunteer and homeowner labor.

The Satellite Information Centre provides end-user support in the areas of staff training, information analysis, applications development, data access and equipment acquisition and installation to staff of Ontario Housing Corporation and the community housing wing. Over the past three years, the centre has gradually introduced the use of micro-computers to the regional housing programs offices and the local housing authorities. The program for fiscal year 1986/87 included support for six regional housing programs offices and some 30 housing authorities.

The housing authority appointments were made as vacancies occurred. The 58 housing authorities had a total of 440 memberships at year end.

Management Operations and Review

This section finalized its performance rating system as an integral part of its "Standards to Success" program. The emphasis is on management improvement in the local housing authorities. The rating system provides a consistent measurement tool which helps managers to identify areas for improvement.

Four key priorities were operational efficiency, conservation of property, positive tenant and community relations and effective human resources management. The data base is divided into six groupings of similar housing authorities according to tenant mix and the number of units managed.

In addition to data on expenditures, the data base includes results of tenant satisfaction surveys in all housing authorities, as well as the effect of climate surveys on management practices in human resources and community relations. All of these facts are processed to arrive at an overall management performance rating.

Through this program the staff of housing authorities is being trained to use "Standards to Success" as the basis for meeting the challenges of managing social housing in the 1990s.

Operations Support Services

This section hosted five regional community relations workshops during 1986–87 and introduced a tenant panel in each of the regions.

The panels, which included 35 tenants from Cornwall to Kenora, were successful in opening new channels of communication between tenants and management. The program entitled Street Proofing for Children was expanded and concern regarding drug abuse was added to the mandate.

Two new films about drugs and teenagers were highly successful. Some 375 students participated, including many who were members of racial minorities.

The OHC bursary program has been redesigned to provide a bursary of $1,000 during a two-year period for 35 OHC resident students attending post-secondary schools.

This group of happy youngsters enjoys summer fun in a swimming pool in one of the assisted housing projects operated by Metro Toronto Housing Authority. This is part of the summer recreation program co-ordinated by the housing authority's recreation staff.

Ontario Housing Corporation

Financial Statements
Year ended December 31, 1986

Balance Sheet As at December 31, 1986

	1986	1985
Assets	($000's)	($000's)
Investment in properties (note 3)		
Provincial housing	1,226,205	1,234,729
Federal-Provincial housing	16,409	16,457
Student housing on leased land	62,560	63,016
Other	6,192	5,845
	1,311,366	1,320,047
Mortgages and loans (note 4)	28,012	25,455
Amount due from the Treasurer of Ontario	100,289	96,548
Accounts receivable	1,530	1,717
	1,441,197	1,443,767
Liabilities		
Long-term debt (note 5)		
Canada Mortgage and Housing Corporation	1,146,346	1,154,360
Other	19,481	19,642
	1,165,827	1,174,002
Accounts payable and accrued liabilities (note 6)	85,941	83,470
Bank indebtedness	3,503	1,546
	1,255,271	1,259,018
Equity		
Contributed surplus (note 7)	185,926	184,749
	1,441,197	1,443,767

See accompanying notes to financial statements.

On behalf of the Board:

Vice-Chairman

Executive Director

Statement of Operations Year ended December 31, 1986

Housing Operations	1986 ($000's)	1985 ($000's)
Assisted housing (note 8)		
Rental revenue	210,032	196,694
Expenses		
Property operating expenses	276,892	255,050
Grants in lieu of municipal taxes	78,395	73,847
Amortization (principal and interest)	114,988	115,000
	470,275	443,897
Loss on assisted housing	260,243	247,203
Rent supplement (note 9)	56,153	52,599
	316,396	299,802
Less: Canada Mortgage and Housing Corporation share	163,809	154,769
	152,587	145,033
Provincial contributions to municipal housing (note 10)	15,287	13,305
Rural and native housing (note 11)	3,159	2,708
Recovery of amortization (principal and interest) (note 12)	(16,669)	(8,853)
Provincial share of loss on housing operations	154,364	152,193
Other Expenditures		
Social housing payments (note 14)	40,461	27,883
Net interest revenue	(638)	(893)
Administration expenses (Schedule)	7,009	3,932
	46,832	30,922
Net Operating Cost for the Year	201,196	183,115
Funds Provided by the Treasurer of Ontario	201,196	183,115

See accompanying notes to financial statements.

Administration Expenses Year ended December 31, 1986

	1986 ($000's)	1985 ($000's)
Salaries and benefits	10,471	8,983
Administrative support services (note 13)	12,454	9,595
	22,925	18,578
Less: Administration expenses charged to housing operations	15,916	14,646
	7,009	3,932

See accompanying notes to financial statements.

Notes to Financial Statements December 31, 1986

1. Significant Accounting Policies

The following summarizes the significant accounting policies used in preparing the accompanying financial statements:

i) The Corporation uses the accrual method of accounting.

ii) Land and buildings held as investments in Provincial and Federal-Provincial properties are amortized on a basis equal to the reduction of the corresponding long-term debt and contributed surplus.

iii) Furniture and equipment purchases are expensed in the year of acquisition.

iv) Social housing payments include funds advanced as interest-free loans. These loans are expensed and not included as accounts receivable in the balance sheet. Repayments are returned directly to the Consolidated Revenue Fund of the Province of Ontario.

2. Self-Insurance

The Corporation follows the policy of self-insuring its Provincial and Federal-Provincial properties for property damage such as fire, water and vandalism. Costs of such repairs are charged to property operating expenses.

3. Investment in Properties

(a) Provincial housing

This investment represents land and building costs of wholly-owned properties which are amortized over periods not exceeding 50 years.

	1986 ($000's)	1985 ($000's)
Cost	1,317,143	1,317,143
Less: accumulated amortization	90,938	82,414
Net book value	1,226,205	1,234,729

(b) Federal-Provincial housing

Federal-Provincial properties are owned and operated on a partnership basis with Canada Mortgage and Housing Corporation. The balance represents the Corporation's share of land and building costs which are amortized over periods not exceeding 50 years.

	1986	1985
	($000's)	($000's)
Cost	20,753	20,520
Less: accumulated amortization	4,344	4,063
Net book value	16,409	16,457

(c) Student housing on leased land

This investment represents building costs to provide student accommodation on land leased from 11 universities and colleges. These costs are being repaid semi-annually to the Corporation by the educational institutions over a 50 year period. When costs are fully repaid, title to the properties will be transferred to the respective institutions. The institutions retain the rental revenues and absorb the property operating expenses.

	1986	1985
	($000's)	($000's)
Cost	67,890	67,890
Less: educational institutions' equity	5,330	4,874
Net book value	62,560	63,016

(d) Other

	1986	1985
	($000's)	($000's)
Land leased, at cost	2,308	2,308
Projects under development, at cost	1,794	1,416
Land inventory, lower of cost or estimated market value	2,090	2,121
	6,192	5,845

4. Mortgages and Loans

	1986	1985
	($000's)	($000's)
Rural and Native Housing Program	23,171	20,570
Other	4,841	4,885
	28,012	25,455

5. Long-Term Debt

The Corporation borrows funds from Canada Mortgage and Housing Corporation and the private sector to finance investments in real property. Such borrowings are repaid in accordance with agreement terms over periods not in excess of 50 years.

Interest is payable to Canada Mortgage and Housing Corporation and the private sector at various rates based on individual agreements ranging from 4.25% to 15%—weighted average rate of 8.18% (1985 from 4.25% to 15%—weighted average rate of 8.18%).

Principal repayments are due as follows:

	($000's)
1987	8,727
1988	9,368
1989	10,059
1990	10,802
1991	11,603
Subsequent to 1991	1,115,268
	1,165,827

While the Corporation is indebted for capital funds borrowed in respect of investment in Provincial housing projects, the amortization charges (principal and interest) over the life of the projects are considered operating expenses under the cost sharing agreement with Canada Mortgage and Housing Corporation. Under this agreement, Canada Mortgage and Housing Corporation contributes 50% of the amortization charges (principal and interest) and the Corporation absorbs the remaining 50%.

6. Accounts Payable and Accrued Liabilities

	1986 ($000's)	1985 ($000's)
Canada Mortgage and Housing Corporation	39,155	40,406
Other	46,786	43,064
	85,941	83,470

7. Contributed Surplus

Prior to December 1, 1985 capital funds provided by the Treasurer of Ontario were repayable by the Corporation as the related assets were amortized or sold. Effective December 1, 1985 such funds are no longer repayable by the Corporation. Also, the Treasurer of Ontario forgave the long-term debt of the Corporation in respect of capital funds provided prior to December 1, 1985.

To reflect this change, the Corporation transferred the long-term debt due to the Treasurer of Ontario as of November 30, 1985 to a new account "Contributed Surplus". Contributions for capital expenditures received with effect from December 1, 1985 are to be credited to this account. In addition, the account is to be reduced as the related assets are amortized or sold.

	1986 ($000's)	1985 ($000's)
Balance, beginning of year	184,749	—
Long term debt transferred as at November 30, 1985	—	184,933
Capital contributions received	3,005	1,395
Amortization (principal portion)	(1,828)	(1,579)
Balance, end of year	185,926	184,749

8. Assisted Housing

Under the assisted housing program, the Corporation owns (either wholly or in partnership with Canada Mortgage and Housing Corporation) rental properties and provides rent-geared-to-income accommodation principally to families and senior citizens. The management of the properties is carried out through a network of local housing authorities who act as agents of the Corporation. The loss on this program is shared with Canada Mortgage and Housing Corporation.

9. Rent Supplement

Under the assisted housing program, the Corporation acquires the use of rental units from the private sector and provides rent-geared-to-income accommodation principally to families and senior citizens. The costs of these programs are shared with Canada Mortgage and Housing Corporation.

10. Provincial Contributions to Municipal Housing

The Corporation contributed $15.3 million (1985—$13.3 million) to The Metropolitan Toronto Housing Company Limited towards operating costs for senior citizen apartment units.

11. Rural and Native Housing

This program, administered by Canada Mortgage and Housing Corporation, provides subsidized home ownership to families in rural areas. Mortgage payments are geared to owners' incomes. The loss represents the Corporation's share of the subsidy provided.

12. Recovery of Amortization (Principal and Interest)

As a result of the elimination of the long-term debt payable to the Treasurer of Ontario as referred to in Note 7, relevant amortization charges (principal and interest) are no longer payable by the Corporation. Accordingly, the Provincial portion of such amortization, while charged to Housing Operations, is offset by credit to recovery of amortization.

13. Administrative Support Services

The Ministry of Housing provides central administrative support services to the Corporation. The charge for such support services was determined on a basis acceptable to the Ministry and the Corporation.

14. Subsequent Event

Effective April 1, 1987, social housing payments and related administration expenses are being paid directly by the Ministry of Housing.

OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas Street West,
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Ontario Housing Corporation and
to the Minister of Housing

I have examined the balance sheet of the Ontario Housing Corporation as at December 31, 1986 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies described in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

D.F. Archer, F.C.A.,
Provincial Auditor

Toronto, Ontario,
April 30, 1987

Ontario Land Corporation

Ontario
Land
Corporation

777 Bay Street
Toronto, Ontario
M5G 2E5

THE HONOURABLE
ALVIN CURLING
MINISTER OF HOUSING

Sir:

On behalf of the Directors, I am pleased to present to you the Annual Report of Ontario Land Corporation for the year ending March 31, 1987.

Respectfully submitted,

ROBERT W. RIGGS
Vice-Chairman of the Board and Chief Executive Officer

Ontario Land Corporation

Board of Directors:

Stanley G. Payne (Chairman), Robert W. Riggs (Vice-Chairman), Valerie K. Fleming*, James H. Joyce*, Harold S. McLellan*, James D. Nasso, Charles C. Parsons, Lawrence Shankman, Susan G. Himel, Lee Martini, Eddie T.S. Mok, Jean C. Paradis, John D. Rogers

*until May 31, 1986

The Year in Review

Pursuant to the government's directive in 1985 to amalgamate its real property functions into one unit under the umbrella of the Ministry of Government Services ("MGS"), the activities of Ontario Land Corporation were fully wound down effective March 31, 1987 and its assets and liabilities absorbed principally by MGS.

During the final year of operation, the corporate goal was to accelerate the disposal of assets surplus to Provincial needs and to support Provincial social and economic objectives through the use of corporate assets.

Viewed from such perspective, the Corporation achieved a year of solid performance. A buoyant housing market and a relatively liquid financial market enabled OLC to sell its assets at a fast pace. Total cash receipts increased to $306 million in 1986/87, a 30% increase from the previous year. Net income grew to $27 million from $17 million in 1985/86. Because of the strong receipts, total payments to the Treasurer rose to $232 million, an 83% increase over the previous year.

The disposal program saw significant progress in all areas. Through vigorous marketing efforts, gross sales of land and properties amounting to $47 million were executed during the year. Land inventory was consequently reduced by approximately 2,110 hectares (5,210 acres).

Land management activities continued to have a net cash surplus, amounting to $0.5 million for the year under review.

In accordance with the government's directive to accelerate the disposal of mortgage assets, the Corporation commenced the sale of its first mortgages during the year. By year-end, ten proposal packages were publicly offered and a total of $46 million in long-term renewable mortgages were sold. These sales will continue in 1987/88.

In addition, the Corporation offered its mortgagors a time-limited opportunity to pay off their long-term fixed-rate mortgages at varying discounts. Approximately 4,600 homeowners discharged their mortgages under this program. Value discharged was $80 million, at an average discount of 22 cents per dollar or $18 million in total. The remaining long-term mortgages will be advertised and sold by tender commencing in fiscal 1987/88.

The total gross cash receipts of the mortgage portfolio was $225 million. This includes revenue from mortgage sales, mortgage discharges and regular repayments of principal on both solely-owned mortgages and mortgages administered under a Partnership Agreement with Canada Mortgage and Housing Corporation ("CMHC").

The Corporation fully retired one of two debentures held by CMHC in the principal amount of $64.3 million. The remaining debenture obligation to CMHC was transferred at year-end to the Treasurer of Ontario together with the related assets enabling repayment of the debt.

Debt payments of $177 million to the Treasurer of Ontario reduced the Corporation's mortgage-related advances from the Treasurer to $146 million, a 55% decrease. Overall, the debt liabilities (this includes advances from the Treasurer and debenture obligations to CMHC) dropped by $245 million, leaving an ending balance of $178 million.

During the year, the staff of the Corporation worked vigorously on the implementation of the government's directive—part of the government's portfolio strategy—to combine the activities of the Corporation with those of the Ministry of Government Services. This amalgamation is now complete.

Effective March 31, 1987, the land assets and liabilities of the Corporation were transferred to the Ministry of Government Services. The residential mortgage portfolio, together with the related debt, was transferred back to Ontario Mortgage Corporation. The debt due to Canada Mortgage and Housing Corporation together with the related debt fund was assigned to the Treasurer of Ontario.

The Corporation's significant accomplishments in selling or otherwise disposing of inventory since inception in 1974 are shown below.

- Total assets reduced from a peak of $1,227 million in 1982 to $480 million in 1987. Excluding the writedown of assets in 1986 amounting to $267 million, the net decrease was $480 million, or 39%.
- Total debt liabilities reduced from a peak of $1,180 million in 1982 to $178 million by 1987. Excluding the $468 million writedown of indebtedness to the Treasurer in 1986, the net decrease was $534 million, a 45% reduction over the last five years.
- In the preceding five years, the Corporation paid a total of $742 million to the Treasurer of Ontario while at the same time optimizing return on the sale of assets.
- It developed major residential projects throughout Ontario (such as Malvern, Heritage Green [Stoney Creek], Kitchener, Guelph, Hamilton and Aurora) resulting in the provision of approximately 21,000 residential units. The development projects, in conjunction with raw land sales, reduced land inventory from a peak of 81,442 acres in 1978 to 59,456 acres in 1987.
- It developed and provided land for industrial and commercial requirements including the 400-acre site in Cambridge for an automotive assembly plant.
- It commenced the planning approval process for the Scarborough and Seaton lands. These lands measuring approximately 8,000 acres are located in the North Pickering area.
- It pioneered the introduction of weekly and bi-weekly payment schemes for mortgages through Ontario Mortgage Corporation, thereby providing significant savings to mortgagors.
- It disposed of the major bulk of the mortgage portfolio through sales programs and incentives thereby reducing the number of accounts (excluding those accounts administered on behalf of other provincial agencies) from a high of 48,000 accounts in 1980 to 18,425 accounts in 1987.
- As agent of the Province, it implemented the mortgage programs for a variety of housing initiatives including: Ontario Renter-Buy, Ontario Rental Construction, Convert-to-Rent, Renterprise, Add-A-Unit, Conserve-A-Unit and Low-Rise Rehabilitation. The total amount of funds disbursed under these programs was $193 million.

The Board of Directors wishes to express its sincere appreciation and gratitude to the staff who contributed to the success of the Corporation during its twelve years of operation. Through enthusiastic efforts, support and hard work, the Corporation has had twelve productive and meaningful years of service to the government and residents of Ontario.

The total per diem costs for the Board of Directors for the fiscal year 1986/87 was $12,130.

Ontario Land Corporation

Financial Statements
Year ended March 31, 1987

Balance Sheet March 31, 1987 (Prior to Transfer of Assets and Liabilities—Note 1)

	1987	1986
Assets	($000's)	($000's)
Real Estate (note 2)	262,942	276,778
Mortgages and Loans (note 3)	185,603	361,889
Cash and Marketable Securities (note 4)	31,497	86,257
	480,042	724,924
Mortgage Guarantee Fund (note 10)	—	2,637
Liabilities		
Long-term Debt		
Treasurer of Ontario (note 5)	145,772	323,075
Canada Mortgage and Housing Corporation (note 6)	31,885	99,929
	177,657	423,004
Accounts Payable and Accrued Liabilities	7,893	8,511
	185,550	431,515
Equity		
Contributed Surplus	238,850	249,267
Retained Earnings	55,642	44,142
	294,492	293,409
	480,042	724,924
Mortgage Guarantee Fund (note 10)	—	2,637

On Behalf of the Board:

Director

Director

Statement of Earnings Year Ended March 31, 1987

	1987 ($000's)	1986 ($000's)
Revenues		
Sale of Land	17,853	19,458
Rent from Land Leased to Homeowners	2,732	2,824
Interest on Mortgages and Loans	29,150	42,233
Interest on Cash and Marketable Securities	10,690	12,212
Other (note 7)	10,822	7,342
	71,247	84,069
Expenses		
Cost of Land Sold	14,224	15,927
Interest (note 8)	29,931	50,954
Other (note 9)	299	421
	44,454	67,302
Net earnings before extraordinary item	26,793	16,767
Extraordinary Item Writedown of Assets	—	(47,508)
Net earnings (loss) for the year	26,793	(30,741)

Statement of Contributed Surplus Year Ended March 31, 1987

(Prior to Transfer of Assets and Liabilities—Note 1)

	1987 ($000's)	1986 ($000's)
Contributed Surplus, Beginning of Year	249,267	—
Received from the Treasurer of Ontario	3,724	—
Land Transferred to Other Ministries	(1,440)	—
Paid to the Treasurer of Ontario	(12,701)	—
Debt forgiven by the Treasurer of Ontario	—	249,267
Contributed Surplus, End of Year	238,850	249,267

Statement of Retained Earnings Year Ended March 31, 1987

(Prior to Transfer of Assets and Liabilities—Note 1)

	1987 ($000's)	1986 ($000's)
Retained Earnings, Beginning of Year	44,142	74,883
Amalgamation of Mortgage Guarantee Fund (note 10)	2,842	—
Net Earnings (Loss) for the Year	26,793	(30,741)
Paid to the Treasurer of Ontario	(18,135)	—
Retained Earnings, End of Year	55,642	44,142

Statement of Changes in Financial Position Year Ended March 31, 1987

	1987 ($000's)	1986 ($000's)
Source of Cash		
Net Earnings Before Extraordinary Item	26,793	16,767
Depreciation	19	93
Cash Provided from Operations	26,812	16,860
Cash Component of Mortgage Guarantee Fund Amalgamated	2,552	—
Real Estate Costs Realized Through Sales and Disposals	16,310	19,309
Net Reduction of Mortgages and Loans	176,492	62,026
Advances from the Treasurer of Ontario	3,724	4,757
	225,890	102,952
Use of Cash		
Repayment of Long-term Debt	245,347	88,392
Paid to the Treasurer of Ontario	30,836	—
Development of Real Estate	3,849	4,761
Other Changes—Net	618	(499)
	280,650	92,654
Increase (Decrease) in Cash and Marketable Securities	(54,760)	10,298

Summary of Significant Accounting Policies March 31, 1987

Ontario Land Corporation (OLC) was incorporated in 1975 as a Crown Corporation without share capital under the Ontario Land Corporation Act. As at March 31, 1987, the Corporation managed 24,060 hectares of land acquired for land banking and development purposes, and 9,052 mortgages and 5,517 land leases issued under various housing programs. OLC is a partner with Canada Mortgage and Housing Corporation (CMHC) in certain land and mortgage programs, and earns administration fees for managing CMHC's interest in them. The Corporation is also a partner with various municipalities in certain mortgage programs.

The statements include the Corporation's proportionate share of the individual assets, liabilities, revenues and expenses of partnerships. No amounts are included in respect of salaries, benefits, or administrative expenses, as these are absorbed by the Ministry of Housing.

The Corporation administers certain housing incentive programs as an agent of the Province. Advances under these programs are reflected in the Public Accounts, and are not included in the accounts of the Corporation.

In accordance with directions given by the Government of Ontario, OLC transferred all its assets and liabilities at the close of business on March 31, 1987, and ceased active operations. Its subsidiary, Ontario Mortgage Corporation (OMC), was included in the transfer, and will be reactivated for mortgage operations. Details of the transfer are shown in Note 1.

Real Estate

Real estate consists of land inventory, land leased to homeowners, residential properties acquired upon default of mortgage loans, and commercial properties.

Land inventory cost consists of acquisition costs, planning and development costs, and ongoing carrying costs net of any rental revenue received. Where such cost was greater than appraised value as at March 31, 1986, the asset value has been reduced to the appraised value.

Land leased to homeowners represents the Corporation's interest in lots on which homes have been built. Effective March 31, 1986, the carrying value of these assets was reduced to reflect the actual lease yield. A lessee may, at his option, purchase and acquire title to the land.

Acquired property cost consists of the unpaid loan balances together with operating costs net of rents received. These properties are subsequently sold with the intention of recovering the value of the mortgages.

The net book value of commercial properties was reduced to equal the appraised value at March 31, 1986.

Depreciation of the commercial properties is recorded using the sinking fund method over a 40-year life for the properties. The sinking fund method provides a depreciation charge which increases at a rate compounded at 4% per annum, which is sufficient to fully depreciate the buildings over their anticipated useful lives.

Where land inventory is owned by the OLC/CMHC Partnership, interest is capitalized at rates set by CMHC. Interest is not capitalized on land wholly owned by the Corporation.

Mortgages and Loans

Mortgages and loans are carried at estimated realizable value. This consists of the principal due plus interest and property taxes less allowances for defaults and market revaluations.

Cash and Marketable Securities

Marketable securities are carried at cost plus accrued interest.

Income Recognition

Income from the sale of real estate is recognized when title passes to the purchaser.

In previous years the Corporation sold individual lots and took back non-interest bearing deferred mortgages as part of the sales proceeds. A portion of the gain on each sale, equal to the amount of such mortgage, was deferred. The deferred gains are taken into income at the time when mortgage repayment commences.

Notes to Financial Statements March 31, 1987

1. Transfer of Assets and Liabilities

Effective March 31, 1987, Ontario Land Corporation transferred all its assets and liabilities in accordance with directions first set out in the October 1985 Ontario Budget. Three Government entities were involved: The Ministry of Treasury and Economics, The Ministry of Government Services and Ontario Mortgage Corporation.

The transfer of these assets and liabilities is as follows:

	Total ($000's)	Ministry of Treasury & Economics ($000's)	Ministry of Government Services	
			Ministry Accounts ($000's)	Ontario Mortgage Corp. ($000's)
Assets				
Real Estate	262,942	—	260,105	2,837
Mortgages and Loans	185,603	19,596	15,777	150,230
Cash & Marketable Securities	31,497	15,985	12,071	3,441
	480,042	35,581	287,953	156,508
Liabilities				
Long-term Debt				
Treasurer of Ontario	145,772	—	—	145,772
Canada Mortgage and Housing Corporation	31,885	31,885	—	—
	177,657	31,885	—	145,772
Accounts Payable and Accrued Liabilities	7,893	561	6,801	531
	185,550	32,446	6,801	146,303
Equity				
Contributed Surplus	238,850	—	238,850	—
Retained Earnings	55,642	3,135	42,302	10,205
	294,492	3,135	281,152	10,205
	480,042	35,581	287,953	156,508

In addition to the above, the Ministry of Treasury and Economics assumed the contingent liability of $4,354,000 in respect of mortgages guaranteed (Note 10).

2. Real Estate

			1987	1986
	—(Corporation's Proportionate Share)—		($000's)	($000's)
Land under development	140	Hectares	388	2,415
Land held for development or sale	23,329	Hectares	237,557	245,952
Land leased to homeowners	4,028	Lots	21,131	22,501
Acquired residential properties	97	Properties	2,961	5,010
Commercial properties	2	Properties	905	900
			262,942	276,778

Transactions during the year were:

	Land Inventory ($000's)	Leased to Homeowners ($000's)	Acquired Properties ($000's)	Commercial Properties ($000's)	Total ($000's)
Balance, March 31, 1986	248,367	22,501	5,010	900	276,778
Reacquisitions and settlements	393	—	84	—	477
Development costs	3,952	—	—	24	3,976
Capitalized interest	217	—	—	—	217
Carrying costs	3,332	—	675	—	4,007
Rent recoveries	(4,022)	—	(722)	—	(4,744)
Depreciation	—	—	—	(19)	(19)
Disposals	—	—	(2,086)	—	(2,086)
Cost of sales	(12,854)	(1,370)	—	—	(14,224)
Transfer to other Ministries	(1,440)	—	—	—	(1,440)
Balance, March 31, 1987	237,945	21,131	2,961	905	262,942

3. Mortgages and Loans

	1987 ($000's)	1986 ($000's)
Residential mortgages and agreements for sale:		
Insured under the National Housing Act	20,573	36,055
Uninsured (net of 1.5% allowance; net of market revaluation—$22,215; 1986—$39,730)	149,148	307,608
Total (average interest rate 7.97%; 1986—9.77%)	169,721	343,663
Non-interest bearing deferred mortgages	16,388	20,184
Builders' mortgages	5,770	7,375
Municipalities and other	10,112	10,535
Ontario Development Corporation	—	316
	201,991	382,073
Less: Deferred gains arising from non-interest bearing deferred mortgages	16,388	20,184
	185,603	361,889

4. Cash and Marketable Securities

	1987 ($000's)	1986 ($000's)
Cash and short-term investments	31,497	47,830
Securities	—	38,427
	31,497	86,257

5. Long-term Debt—Treasurer of Ontario

The majority of mortgage assets of the Corporation are financed by loans from the Treasurer of Ontario. These loans are repayable as funds are realized from the assets. The weighted average interest rate is 9.05% (1986—9.05%).

6. Long-term Debt—CMHC

(a) Debt due to CMHC is repayable under a debenture due December 31, 2001. The weighted interest rate is 7.09% (1986—weighted average of two debentures—8.93%). Principal repayments are as follows:

	($000's)
Year Ending March 31, 1988	1,247
1989	1,334
1990	1,438
1991	1,537
1992	1,648
Subsequent to 1992	24,681
	31,885

(b) The Corporation has established a debt retirement fund to provide for payment of the CMHC debenture. The elements of the fund are included under the appropriate classifications in the Balance Sheet. Details of the fund are:

	1987 ($000's)	1986 ($000's)
Cash and marketable securities	15,985	63,108
Residential mortgages	19,596	27,921
	35,581	91,029

7. Other Revenues

	1987 ($000's)	1986 ($000's)
Deferred gains realized	3,808	3,083
Administration and sundry fees	1,422	1,930
Rent from commercial properties	199	190
Adjustment of mortgage and acquired property allowances	3,165	2,139
Recovery of loss on Power of Sale	2,228	—
	10,822	7,342

8. Interest Expense

	1987 ($000's)	1986 ($000's)
Treasurer of Ontario	23,614	41,843
CMHC	6,534	9,350
	30,148	51,193
Capitalized to land inventory	(217)	(239)
	29,931	50,954

9. Other Expenses

	1987 ($000's)	1986 ($000's)
Operating expenses of commercial properties	252	300
Depreciation of commercial properties	19	93
Miscellaneous	28	28
	299	421

10. Mortgage Guarantee Fund

The Corporation maintained a Mortgage Guarantee Fund which had been established in 1971 to satisfy any liability arising out of guarantees given for specific mortgages provided by private sector lenders. The outstanding balance of mortgages guaranteed has decreased to $4,354,000 as at March 31, 1987 from $8,036,000 as at March 31, 1986.

The guaranteed lending activity was discontinued in 1976, and the Fund has not received any claims since 1983. A review of the Fund and contingent liabilities indicated that maintenance of this separate Fund was no longer required. Accordingly, Fund assets consisting of $2,552,000 cash and securities and $290,000 mortgages were merged with assets of the Ontario Land Corporation. The Fund's equity of $2,842,000 was added to the Corporation's retained earnings.

OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas Street West,
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Ontario Land Corporation and
To the Minister of Housing.

I have examined the balance sheet of the Ontario Land Corporation as at March 31, 1987 and the statements of earnings, contributed surplus, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the policies described in the Summary of Significant Accounting Policies applied on a basis consistent with that of the preceding year.

D.F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
July 10, 1987